

LAW OFFICES OF STEPHENSON, ACQUISTO & COLMAN, INC.  
JOY STEPHENSON-LAWS, ESQ. (SBN 113755)  
RICHARD A. LOVICH, ESQ. (SBN 113472)  
KARLENE J. ROGERS-ABERMAN, ESQ. (SBN 237883)  
DAVID F. MASTAN, ESQ. (SBN 152109)  
JENNIFER JIAO, ESQ. (SBN 292205)  
303 N. Glenoaks Blvd., Suite 700  
Burbank, CA 91502  
Telephone: (818) 559-4477  
Facsimile: (818) 559-5484

Attorneys for Plaintiff,  
STANFORD HEALTH CARE

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

STANFORD HEALTH CARE, a  
California nonprofit corporation;

Plaintiff,

v.

ANTHEM INSURANCE COMPANIES,  
an Indiana insurance corporation; and  
DOES 1 THROUGH 25, inclusive,

Defendants.

Case No.:

COMPLAINT FOR DAMAGES FOR:

1. BREACH OF IMPLIED IN FACT CONTRACT; AND
2. *QUANTUM MERUIT*

**COMPLAINT FOR DAMAGES**

**PARTIES**

1. Plaintiff STANFORD HEALTH CARE ("STANFORD HOSPITAL") is a nonprofit corporation organized and existing pursuant to the laws of the State of California. STANFORD HOSPITAL has its principal place of business in the County of Santa Clara, State of California. STANFORD HOSPITAL renders medically necessary services (including emergency services), supplies and/or equipment to patients.

2. Defendant ANTHEM INSURANCE COMPANIES ("BCBS INDIANA") is an insurance company that is organized and existing pursuant to the laws of the State of Indiana. BCBS INDIANA has its principal place of business in the City of Indianapolis, State of Indiana. BCBS INDIANA arranges for the provision of health care services to its enrollees and/or pays for or reimburses part or all of the costs for those services.

3. STANFORD HOSPITAL is unaware of the true names and capacities, whether corporate, associate, individual, partnership or otherwise of defendants Does 1 through 25, inclusive, and therefore sues such defendants by such fictitious names. STANFORD HOSPITAL will seek leave of the Court to amend this complaint to allege their true names and capacities when ascertained.

4. Defendant BCBS INDIANA and Does 1 through 25, inclusive, shall be collectively referred to as "Defendants."

5. Defendants, and each of them, at all relevant times, have

1 transacted business in the State of California.

2  
3 6. STANFORD HOSPITAL is informed, believes, and thereon  
4 alleges that at all relevant times, each of the defendants, including the defendants  
5 named "Doe" were and are the agent, employee, employer, joint venturer,  
6 representative, alter ego, subsidiary, and/or partner of one or more of the other  
7 defendants, and were, in performing the acts complained of herein, acting within  
8 the scope of such agency, employment, joint venture, or partnership authority,  
9 and/or are in some other way responsible for the acts of one or more of the other  
10 defendants.

### 11 12 **JURISDICTION AND VENUE**

13  
14 7. Federal diversity jurisdiction exists pursuant to 28 U.S.C.  
15 Section 1332. Plaintiff is a California nonprofit corporation with its principal place  
16 of business in Santa Clara, California. Defendant BCBS INDIANA is an insurance  
17 corporation that is organized and existing pursuant to the laws of the State of  
18 Indiana. Therefore, complete diversity of citizenship exists. The amount in  
19 controversy, exclusive of interest and costs, exceeds the sum or value of \$75,000.

20  
21 8. Venue in the Norther District of California is proper pursuant to  
22 28 U.S.C. Section 1391 because a substantial part of the events or omissions on  
23 which the claims asserted herein are based in this District.

### 24 25 **COMMON FACTUAL BACKGROUND**

26  
27 9. On various dates of service, STANFORD HOSPITAL provided  
28 medically necessary services, supplies and/or equipment to patients identified in

1 Exhibit A (the “Patients”)<sup>1</sup>

2  
3 10. STANFORD HOSPITAL is informed and believes and thereon  
4 alleges that at all relevant times, the Patients were an enrolled beneficiary and/or  
5 member of a health plan sponsored, administered and/or funded by BCBS  
6 INDIANA.

7  
8 11. At all relevant times, BCBS INDIANA and/or its agent and/or  
9 affiliate authorized the medical services rendered to the Patients by STANFORD  
10 HOSPITAL.

11  
12 12. STANFORD HOSPITAL’s usual and customary total billed  
13 charges for the medically necessary care rendered to the Patients amounted to  
14 \$2,047,769.76.

15  
16 13. STANFORD HOSPITAL timely and properly submitted the  
17 bill for payment for the medically necessary care rendered to the Patients.

18  
19 14. To date, BCBS INDIANA and/or its agents have issued only  
20 \$78,771.30 for the medically necessary services rendered to the Patients.

21  
22 **COUNT ONE**

23 **(BREACH OF IMPLIED-IN-FACT CONTRACT)**

24  
25 15. STANFORD HOSPITAL incorporates by reference the

26  
27  
28 <sup>1</sup> Stanford has limited disclosure of patient identification here pursuant to the privacy provisions  
of the Health Insurance Portability & Accountability Act (“HIPAA”), 42 U.S.C. §§ 1320d *et seq.*

1 allegations contained in paragraphs 1-14 as if fully set forth herein.

2  
3 16. At all relevant times, Anthem Blue Cross was a party to a  
4 written contract with STANFORD HOSPITAL (the "STANFORD HOSPITAL /  
5 Anthem Contract"). According to the STANFORD HOSPITAL / Anthem  
6 Contract, STANFORD HOSPITAL agreed to render medically necessary care to  
7 individual enrollees of Anthem Blue Cross health plans, including out-of-state  
8 affiliates of Anthem Blue Cross as part of the Blue Card Program. In exchange for  
9 access to the discounted rates at STANFORD HOSPITAL called for in the  
10 contract, each such affiliate was to pay such hospitals and/or physicians for the  
11 medically necessary care rendered to the individual enrollees of that affiliate's  
12 health plan.

13  
14 17. At all relevant times, BCBS INDIANA was an out-of-state  
15 affiliate of Anthem Blue Cross subject to the STANFORD HOSPITAL / Anthem  
16 Contract and hence agreed to pay hospitals and/or physicians for the medically  
17 necessary care rendered to the individual enrollees of BCBS INDIANA pursuant to  
18 the terms of the STANFORD HOSPITAL / Anthem Contract.

19  
20 18. At all relevant times, STANFORD HOSPITAL was a party to  
21 the STANFORD HOSPITAL / Anthem Contract as a provider of medically  
22 necessary care for the benefit of all individual enrollees of Anthem Blue Cross and  
23 out-of-state Anthem Blue Cross affiliates' health plans. Thus, under the  
24 STANFORD HOSPITAL / Anthem Contract, STANFORD HOSPITAL agreed to  
25 render medically necessary care to the individual enrollees of BCBS INDIANA; in  
26 exchange, BCBS INDIANA, as a member of the Blue Card Program, agreed to pay  
27 STANFORD HOSPITAL the negotiated rates pursuant to the terms of the  
28 STANFORD HOSPITAL / Anthem Contract for that care. In general, the

1 negotiated rates under the STANFORD HOSPITAL / Anthem Contract provided  
2 for medically necessary care to be paid at a discount off of STANFORD  
3 HOSPITAL's usual and customary total billed charges.

4  
5 19. Under the STANFORD HOSPITAL / Anthem Contract,  
6 STANFORD HOSPITAL agreed to submit bills, through Anthem Blue Cross, to  
7 BCBS INDIANA reflecting STANFORD HOSPITAL's usual and customary total  
8 billed charges associated with rendering medically necessary care to the individual  
9 enrollees of BCBS INDIANA. In exchange, BCBS INDIANA agreed to process  
10 and pay such claims according to the STANFORD HOSPITAL / Anthem Contract  
11 (i.e., STANFORD HOSPITAL's usual and customary total billed charges less a  
12 specified discount).

13  
14 20. STANFORD HOSPITAL's usual and customary total billed  
15 charges for rendering the medically necessary care to the Patients amounted to  
16 \$2,047,769.76. According to the STANFORD HOSPITAL / Anthem Contract,  
17 BCBS INDIANA owed STANFORD HOSPITAL a balance of \$294,173.01, after  
18 application of the STANFORD HOSPITAL / Anthem Contract discount.

19  
20 21. To date, BCBS INDIANA has paid only \$78,771.30 for the  
21 medically necessary services rendered to the Patients. As a result of the breach by  
22 BCBS INDIANA, STANFORD HOSPITAL suffered damages in the sum of  
23 \$215,401.71, the amount due pursuant to the STANFORD HOSPITAL / Anthem  
24 Contract.

25  
26 **COUNT TWO**  
27  
28

(QUANTUM MERUIT)

22. STANFORD HOSPITAL incorporates by reference the allegations contained in paragraphs 1-13 as if fully set forth herein.

23. In the alternative, should it be found no contractual relationship exists between STANFORD HOSPITAL and BCBS INDIANA and/or its agents should nevertheless be fully paid under the theory of *quantum meruit*.

24. STANFORD HOSPITAL is informed and believes and thereon alleges that BCBS INDIANA and/or its agents promised its beneficiaries (including the Patients) it would arrange for and/or pay for medically necessary care needed by them. Accordingly, when STANFORD HOSPITAL rendered medically necessary care to the Patients, BCBS INDIANA benefited because STANFORD HOSPITAL thereby assisted BCBS INDIANA in meeting its obligation to arrange for and/or pay for medically necessary care to its enrollees, including the Patients.

25. By its words and/or conduct, BCBS INDIANA and/or its agent requested that STANFORD HOSPITAL provide the Patients. with medically necessary care.

26. Acting pursuant to BCBS INDIANA's implied and/or express request, STANFORD HOSPITAL provided medically necessary care to the Patients.

27. STANFORD HOSPITAL's rendering of medically necessary care to the Patients was intended to, and did, benefit the Patients, and therefore

1 BCBS INDIANA.

2  
3 28. For rendering the medically necessary care to the Patients,  
4 STANFORD HOSPITAL reasonably expected BCBS INDIANA to fully  
5 reimburse STANFORD HOSPITAL its billed rate of \$2,047,769.76.

6  
7 29. BCBS INDIANA has paid only \$78,771.30 and continues to  
8 refuse to properly reimburse STANFORD HOSPITAL, leaving an outstanding  
9 balance of \$1,968,998.46, despite demands thereof.

10  
11 30. Within the past two years, STANFORD HOSPITAL demanded  
12 BCBS INDIANA and/or its agents to pay for the medically necessary care  
13 rendered to the Patients but BCBS INDIANA and/or its agents have refused.

14  
15 31. As a result of BCBS INDIANA's misconduct and/or the  
16 misconduct of its agents, STANFORD HOSPITAL has suffered damages in the  
17 amount of \$1,968,998.46.

18  
19  
20 ///

21  
22 ///

23  
24 ///

25  
26 ///

27  
28 ///



**PRAYER FOR RELIEF**

**WHEREFORE**, STANFORD HOSPITAL prays for judgment as follows:

For the First Cause of Action:

1. for the principal sum of \$215,401.71 and for interest on such principal sum at the rate of 15% per annum, pursuant to Cal. Health & Safety Code § 1371; or, in the alternative, for interest on such principal sum at the rate of 10% per annum, pursuant to Cal. Civ. Code § 3289;

For the Second Cause of Action (in the alternative):

1. for the principal sum of \$1,968,998.46 and for interest on such principal sum at the rate of 15% per annum, pursuant to Cal. Health & Safety Code § 1371; or, in the alternative, for interest on such principal sum at the rate of 10% per annum, pursuant to Cal. Civ. Code § 3289;

For all Causes of Action:

2. for all costs of suit incurred herein; and,  
3. for such other and further relief as the Court deems just and proper.

Dated: 16 April 2021

LAW OFFICES OF STEPHENSON,  
ACQUISTO & COLMAN, INC.

/s/ Jennifer Jiao

---

JENNIFER JIAO  
Attorneys for  
STANFORD HEALTH CARE

# EXHIBIT A

Page 11 of 11

STANFORD HEALTH CARE V. BLUE CROSS BLUE SHIELD OF INDIANA										
FC 27255										
No.	Last Name	First Name	File Number	Admit Date	Discharge Date	Patient ID	Total Charges	Expected	Total Paid	Underpaid
1	B	A	000063441383	12/11/2018	12/14/2018	YZD988M95794	\$348,359.40	\$59,991.32	\$38,348.32	\$21,643.00
2	B	C	000064800472	6/5/2019	6/5/2019	XDP723M89854	\$16,953.00	\$10,049.74	\$4,960.78	\$5,088.96
3	H	C	000066130809	1/10/2020	1/10/2020	VWF237A20401	\$103,929.76	\$35,473.02	\$377.20	\$35,095.82
4	L	K	000065887666	3/4/2020	3/4/2020	XDP032A55900	\$16,328.11	\$10,938.00	\$0.00	\$10,938.00
5	S	H	000063540520	11/17/2018	1/4/2019	XDP606M92664	\$1,143,757.22	\$16,116.00	\$0.00	\$16,116.00
6	V	C	000066392230	2/17/2020	2/19/2020	YZD675M77706	\$169,127.25	\$44,654.93	\$0.00	\$44,654.93
							\$1,798,454.74	\$177,223.01	\$43,686.30	\$133,536.71